



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

# Press Release

August 4, 2003

FOR IMMEDIATE RELEASE CONTACT: Jill Miles  
304-558-8986  
1-800-368-8808

**ATTORNEY GENERAL DARRELL V. MCGRAW, JR.  
ANNOUNCES PLAN TO PAY \$1.5 MILLION TO WEST VIRGINIA  
HOUSEHOLD BORROWERS**

Attorney General Darrell V. McGraw, Jr. announced today that West Virginia consumers who have had home loans with Household or Beneficial Finance will be able to claim settlement payments beginning this week. Notices are being sent to nearly 4,000 West Virginia Household borrowers notifying them of their eligibility to share in the State's \$1.5 million settlement with Household International. Under the settlement distribution plan, all Household borrowers who obtained a mortgage loan directly from Household from January 1999 through September 2002 will be sent forms to claim payments ranging from a minimum of \$150 to over \$1,800.

"We were pleased to negotiate a strong settlement with Household, but we are even more pleased to see money flowing back to deserving West Virginia consumers," Attorney General McGraw said.

The consumer payment program stems from the landmark settlement between Household International and the attorneys general of all 50 states and the District of Columbia. Household International, through its subsidiaries Household and Beneficial Finance, is one of the nation's largest sub-prime mortgage lenders. The settlement resolved an investigation by the states into allegations of unfair and deceptive mortgage lending practices by Household. The states alleged that Household had overcharged borrowers with fees and interest and had misled borrowers about other loan terms such as prepayment penalties and credit insurance.

Under the settlement, which was finalized in December 2002, Household agreed to pay \$484 million to the states to be distributed to eligible Household borrowers. The monetary settlement was the largest ever obtained by state attorneys general in a consumer protection case.

As part of the settlement, Household also agreed to implement a series of reforms in its lending operations. Court injunctions in place in all 50 states restrict prepayment penalties on current and future home loans, prohibit loan "flipping," limit up-front points and origination fees, and improve loan disclosures.

The West Virginia settlement distribution plan provides for payments to all Household borrowers based upon the number of unfair lending practices connected to each borrower's loan.

All Household customers who are eligible to receive a settlement payment should receive a notice in the mail from the settlement administrator within the next week. Consumers who wish to participate in the settlement will have to complete and return a simple claim and release form. The actual settlement payments will be then be paid directly to the consumers by check before the end of the year.

Household mortgage loan customers who have questions about the settlement payment procedures can contact a toll-free number, 1-888-780-2156. The settlement administrator's website address is [www.household-beneficial-settlement.com](http://www.household-beneficial-settlement.com).

###